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FISCAL IMPACT STATEMENT

LS 6372

BILL NUMBER: SB 116

NOTE PREPARED: Dec 4, 2002

BILL AMENDED:

SUBJECT: Teacher certification incentives.

FIRST AUTHOR: Sen. Rogers

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill specifies a goal that by the year 2020 there will be at least one teacher who is certified by the National Board for Professional Teaching Standards (national board) in every public school in Indiana. It establishes the teachers' national board certification incentive fund for purposes of: (1) funding stipends of \$200 per day for two days for teachers preparing for national board certification; (2) reimbursing 75% of the national board certification fee; (3) funding stipends for national board certified teachers who serve as mentors to other teachers; (4) reimbursing school corporations for the cost of paying teachers who have attained national board certification as of July 1, 2003, or thereafter an annual salary supplement of \$2,000 for the life of the certificate; and (5) reimbursing school corporations for the cost of persons who serve as substitute teachers for national board certification candidates. The bill requires a school corporation to allow a teacher pursuing national board certification at least five days of released time during the school year.

Effective Date: July 1, 2003.

Explanation of State Expenditures: There are approximately 2,238 schools in Indiana, so 125 teachers would need to receive certification annually to meet the goal of having at least one teacher who is certified in every public school by the year 2020. The bill provides funding incentives to achieve these goals. A teacher would receive a stipend of \$400 to prepare for certification, 75% of the \$2,300 cost of certification, a \$600 stipend for serving as a mentor (assuming the stipend was the same as the stipend for mentors of beginning teachers), and a \$2,000 salary supplement after certification. The school is entitled reimbursement of substitute teachers for the candidate. The first-year cost per teacher is estimated to be \$2,500. This estimate assumes three costs: \$400 stipend, \$1,725 certification reimbursement (\$2,300 times 75%), and \$375 for substitutes (5 days at \$75 per day). The cost after the teacher is certified is estimated to be \$2,975

annually. The estimate assumes three items: \$2,000 salary supplement, \$600 mentor stipend, and \$375 for substitutes.

The estimated total costs for the first year, assuming 125 teachers are certified annually, would be \$312,500, and the cost the second year would be \$684,375. The annual cost would increase by about \$372,000 a year. The annual ongoing cost of 2,238 certified teachers would be about \$6.7 M.

The bill does not make an appropriation to the Fund.

Explanation of State Revenues:

Explanation of Local Expenditures: Local schools would provide a supplemental salary adjustment for teachers certified by the National Board for Professional Teaching Standards and provide substitute teachers for candidates. The salary adjustment of \$2,000 does not include fringe benefits, which schools would be responsible for paying. Assuming a fringe benefit rate of 21%, the \$2,000 salary adjustment would cost school corporations about \$525,000 in the second year of the program. The annual ongoing cost for 2,238 certified teachers would be about \$939,960.

Explanation of Local Revenues: The school is entitled to reimbursement from the state for the supplemental salary and substitute teacher costs. The estimated total revenue for the first year, assuming 125 teachers are certified annually, would be \$97,875, and the revenue the second year would be \$469,750. The annual revenue would increase by about \$372,000 a year. The annual ongoing revenue for 2,238 certified teachers would be about \$6.7 M.

State Agencies Affected: Department of Education.

Local Agencies Affected: Local School Corporations.

Information Sources: Department of Education Databases, National Board for Professional Teacher Standards web site.

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